



*Office of the United States Attorney
District of Arizona*

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FOUR CHARGED IN MILLION DOLLAR FRAUD AGAINST OTIS ELEVATOR COMPANY

TUCSON, Ariz.-- A federal grand jury in Tucson, Ariz. returned a 90-count indictment against Aurora Duron, 46, of Tucson, Ariz.; Francisco Duron, 42, a legal permanent resident of the U.S. from Tucson; Aldo Miranda, 31, of Mexico; and Daniel Espinoza, 30, also of Mexico, for charges including Wire Fraud, Conspiracy to Commit Wire Fraud, Money Laundering and Conspiracy to Commit Money Laundering. Both Aurora and Francisco Duron were also charged with Failure to File Individual Income Tax Returns.

The charges are the result of a joint investigation by the FBI and the Criminal Investigation Division of the Internal Revenue Service. Aurora Duron was arrested today without incident. Francisco Duron, Aldo Miranda, and Daniel Espinoza remain at large. Aurora Duron is currently scheduled for an initial appearance before Magistrate Judge Bernardo Velasco at 3:30 p.m. today.

U.S. Attorney Paul K. Charlton stated that "Fundamentally, this is an internal theft case and the indictment seeks forfeiture of the \$1,063,000 proceeds of this theft from the defendants. The Federal Bureau of Investigation and the Internal Revenue Service are to be complimented for their investigative work in this case."

Special Agent in Charge Jana Monroe stated that "It is not always easy to sympathize with a faceless victim such as a corporation. However, when the unethical and illegal actions of a few employees plague a company to the extent of its failure; other employees quickly become the faces we seek upon hearing the term victim. Because companies such as Otis Elevator support many families through employment, it is crucial they remain operationally sound. The indictments of these subjects illustrate the commitment of the FBI and the IRS to expose the criminal conduct of those who would use their positions to defraud a corporation."

Internal Revenue Service Special Agent in Charge Debra King stated "IRS Criminal Investigation has the expertise that is critical to locating the money and prosecute the offenders of financial crimes."

The indictment alleges that between August 2000 and April 2004, the defendants engaged in a scheme to defraud the Otis Elevator Company of money. The scheme involved the defendants creating fraudulent purchase orders from within Otis Elevator Company in Mexico, which were purportedly for the purchase of either pallets, crates or other services. The defendants then prepared fraudulent invoices seeking payment for fulfilling the fraudulent purchase orders. The defendants processed or caused Otis

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Elevator Company employees to process and pay the fraudulent invoices. The defendants were thereafter notified by telephone that the payments were available for pick up at Otis Elevator Company in Mexico. These payments were deposited into U.S. bank accounts opened by the defendants in the names of the two companies that submitted the fraudulent invoices. The fraud proceeds deposited into these bank accounts were disbursed among the defendants, and/or used to purchase or pay personal expenses related to real and/or personal property.

A conviction for Conspiracy to Commit Wire Fraud (18 U.S.C. § 371) carries a maximum penalty of five years, a \$250,000 fine or both. A conviction for Fraud by Wire, Radio or Television Scheme/Artifice to Defraud and Aiding and Abetting (18 U.S.C. §§ 1343 and 2) carries a maximum penalty of 20 years, a \$250,000 fine or both. A conviction for Conspiracy to Commit Money Laundering (18 U.S.C. § 1956(h)) carries a maximum penalty of 10 years, a \$250,000 fine or both. A conviction for Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity and Aiding and Abetting (18 U.S.C. §§ 1957 and 2) carries a maximum penalty of 10 years, a \$250,000 fine or both. A conviction for Laundering of Monetary Instruments (18 U.S.C. § 1956 (a)(1)(B)(i) carries a maximum penalty of 20 years, a \$500,000 fine or both. A conviction for Failure to File an Individual income tax Return (26 U.S.C. § 7203) carries a maximum penalty of one year, a \$100,000 fine or both. In determining an actual sentence, the assigned judge will consult the U.S. Sentencing Guidelines, which provide appropriate sentencing ranges. The judge, however, is not bound by those guidelines in determining a sentence.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

The prosecution is being handled by Albert L. Kleiner, Assistant U.S. Attorney, District of Arizona, Tucson, Ariz..

CASE #: CR-2005-2153-TUC
RELEASE #: 2005-196(Duron_etal)

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